



# NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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## DoD Retiree and Annuitant Pay Systems Pass Y2K Testing

Testing of the Defense Retiree and Annuity Pay Systems (DRAS) to validate the systems are ready for Y2K has been accomplished. DFAS officials said the end-to-end and contingency planning testing efforts ensured that the agency will provide timely and accurate accounting and finance services for all its customers.

### **Background information:**

The DRAS is comprised of two subsystems known as the Retiree Casualty Pay Subsystem and the Annuitant Pay Subsystem. The Retiree Casualty Pay Subsystem pays military service retirees and is operated at the DFAS-Cleveland Center. The Annuitant Pay Subsystem operates at the DFAS-Denver Center and pays survivors of military retirees who elected a Survivor Benefit Plan (SBP). (Note: An annuitant is a beneficiary designated to receive a monthly payment upon the death of a military retiree.)

Earlier, Thomas R. Bloom, DFAS Director, confided that he was “confident that all DoD civilians, military members and retirees will get paid after Jan. 1, 2000.” And the successful testing of the retiree and annuitant pay systems has supported his assertion.

As director, Bloom oversees the day-to-day accounting and finance activities of the Department of

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Defense (DoD). DFAS employs about 20,000 personnel at five major centers and 20 operating locations throughout the United States, Europe and the Pacific, which, among other responsibilities ensure that 5.4 million people receive their pay checks, retirement checks and annuity payments each month. That is why DFAS is investing the necessary manpower and effort to make sure DOD financial processes continue beyond January 1, 2000. Also, DFAS has put contingency plans in place for its individual systems and each of its core and core support processes.

. Testing efforts have addressed critical data interfaces between internal DFAS information systems and other government agencies and services. As a sample of what DFAS has done - DFAS has tested its electronic fund transfer capability and its interface with the Federal Reserve Bank including the banks and financial institutions associated with it. DFAS has instituted plans for backup power and communications in addition to ensuring DFAS has redundancy in all its systems. If a bank is unable to accept transactions via the electronic fund transfer system DFAS will have capabilities ready to get the money there by check if necessary.

The contingency aspect of the effort is focused on ensuring DFAS maintains an acceptable level of operations and services. This includes delivering payments to retirees, annuitants, military members and civilian employees; paying contractor and vendor invoices for goods and services received; and collecting accounting data and providing summary accounting reporting. DFAS is working with our business partners, Including the military services, the Department of the Treasury and the Federal Reserve Bank, to develop mitigation strategies covering a wide range of scenarios to ensure DFAS is able to carry on its mission.

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